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**H.B. 843 Kentucky Commission on Services and Supports for Individuals
With Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnosis
January 9 & 10, 2006
Capitol Annex Room 131
Frankfort, Kentucky**

Commission Members Present: Representative Mary Lou Marzian, Secretary Mark Birdwhistell, John Burt, John Rees, Michael Cornwall, Representative Charlie Siler, Senator Charlie Borders, Senator Johnny Ray Turner, Wanda Bolze, Bernie Block, Bill Cooper, Sara Wilding, Connie Payne, Mark Washington, Beth Smith, Bill Heffron, and Elizabeth Heilman.

WELCOME

- Co-Chair Secretary Birdwhistell called the meeting to order and made brief introductory remarks.
- Representative Marzian welcomed Secretary Birdwhistell to the HB 843 Commission.
- Representative Marzian welcomed the Regional Planning Council Chairs and thanked them for taking the time to present to the Commission. She stressed that there was a lot of work to be done during the 2006 General Assembly.
- Representative Marzian asked for a motion to approve the minutes from the September 2005 Meeting. Bill Cooper made the motion and John Rees seconded, Commission members approved.

Regional Planning Council Presentations

Brief updates and presentations were made by representatives from each Regional Planning Council. These presentations highlighted what was reported by each Regional Planning Council in the 2005 Template for Change Progress Report. Please refer to meeting handouts for specific presentations distributed at the meeting.

Below are a few of the common issues that were heard throughout the presentations:

- Lack of flexible funding;
- No cost of living increases in funding are making it difficult to retain qualified staff;
- Need improved transportation options therefore improving access to services;
- More community based services needed;
- Population being served has increased due to lack of health insurance coverage;
- Substance abuse is on the rise in many communities.

Region 6 – Seven Counties

Bernie Block

Bernie Block highlighted the budget priority recommendations for the 2006 General Assembly identified by the Regional Planning Council.

- Improve access to Emergency Services Programs in the region.
- Maintain and expand the array of behavioral health services in the region.
- Medicaid budget deficits need to be addressed.

Bernie stated that additional CSU's need to be created in the region to meet the needs of the growing population. All 14 regional community mental health centers need an increase in general fund allocations to cover inflationary increases and preserve the array of core services. He also stated that all interested parties

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be given the opportunity to fully participate in the drafting and promulgation of the regulations that will implement the Medicaid 1115 Waiver. Establishing a Medicaid Buy-In Program to remove barriers to employment for persons with disabilities needs to be considered when drafting the waiver.

Region 3 – River Valley

Mary Lamb

Mary Lamb noted that within the River Valley region there is a substance abuse epidemic. Drug Courts are expanding but increased funding is needed for sustainability. The focus on Emergency Response and Disaster Planning programs has resulted in more collaboration among all regional providers; fire, police, public health and mental health.

Mary stated that the region has seen an increase in substance abuse primarily related to methamphetamine use resulting in the need for additional trained substance abuse staff. The region ranks amongst the highest in the state for methamphetamine abuse. Without an increase in funding, it is becoming more and more difficult to recruit and retain specialists in substance abuse treatment, brain injury and mental health.

Representative Marzian discussed the possibility of urging the Universities to offer more courses in the rural areas of the state that focus on Mental Health and Substance Abuse, allowing staff to pursue higher education within their region.

Region 5 – Communicare

Linda Funk

Linda Funk stated that in Region 5 they have improved their relationship with Hardin County Memorial Hospital which has allowed them to serve more people in the community rather than transfer those individuals to Central State Hospital. Through a lot of effort and working collaboratively with HUD a Women's Transitional Living Facility was developed; however those HUD dollars are gone. The Supported Employment Program for individuals with mental illness has also been expanded. In addition, a CSU unit for children was established in the region which was a necessary need.

These partnerships and collaborations that have been developed can only go so far. At this time the safety net is threatened and stressed. The region has not received an increase in funding for the last five years so it's becoming more and more difficult to sustain our core services.

Region 9/10 – Pathways

Kevin Harrison & Glen Rowe

Kevin Harrison said that lack of affordable health insurance has increased the number of clients served in the region. He noted that persons being incarcerated needed more options than only crisis services. Opiate addiction has increased throughout the region and currently the local hospitals are transferring woman out of the region for residential care.

Specific needs in the region:

- The region needs a PRTF for children.
- Three Drug Courts are operating and are going very well but more funding is needed to provide treatment services.
- Jail Triage is working in the region but additional funding is needed to provide treatment to the individuals being identified.

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- Without increased funding there is major concern that some of the core services cannot be sustained.

In the year 2005 Pathways provided \$1.2 Million dollars of unfunded services. The hospitals operating in the region provided approximately 30% of their behavioral health related services at no charge during 2005. The region is losing qualified staff because to the surrounding states due to lack of funding to provide cost of living increases.

Representative Marzian asked whether there has been any decrease in methamphetamine use in the region due to the legislation passed restricting the access to over the counter substances used to manufacture meth?

Glen Rowe stated that there hasn't been a noticeable decrease yet.

Region 8 – Comprehend

David Bolt

David Bolt gave a brief overview of the counties being served in Region 8 by Comprehend Community Mental Health Center. As David stated in his report to the Commission five years ago, the funding for the community mental health center is still suffering from “Hardening of the Categories.” Many of the funding sources still put their dollars in silos and allow for little or no flexibility in meeting community identified needs. David also noted that while some of the original priority needs have been addressed, retention of needed mental health professionals is difficult due to flat funding levels for core services.

Major issues and concerns needing immediate attention are:

- An increase in state based funding for core services; there has not been an increase in 15 years.
- Increase in non-categorical, flexible funding to repair the fraying safety net.
- An increase in Medicaid reimbursement rates that have remained stagnant for the last 5 years.
- Additional funds are needed to expand drug courts in the region.
- There are no overnight adult residential crisis beds in the region for persons with mental illness or substance abuse and no hospital in-patient behavioral health care units.

Region 7 – NorthKey

Gary Goetz

Gary Goetz presented an overview of the Northern Kentucky region served by NorthKey Community Mental Health Center. Gary pointed out that overall the Northern Kentucky population is increasing at a rapid rate compared to most other regions in the state. As with other regions in the state, Northern Kentucky residents have been unable to access services in a timely manner due to the general under-funded status of the community-based service delivery system. Gary mentioned the recent federally funded KEYS initiative grant that is currently being implemented in Northern Kentucky but that sustainability after the grant expires will be challenging unless there is an increase in state funding.

A few specific regional needs are:

- More flexible funding is needed to match usage of dollars for locally identified needs.
- Increased availability of Psychiatrists for Assessment and Medication Management.
- Early Assessment and Treatment for Children and Adolescents.
- Increased options for Substance Abuse Treatment, including Medicaid covered services.
- Improved transportation options.

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Region 15 – Bluegrass

Dr. Art Shecht

Art Shecht presented an overview of the top recommendations and priorities for the Bluegrass Region. Dr. Schecht stated that on behalf of the region they are focusing on the integration of physical health and mental health care so that mental health consumers can better access the physical health care that so many of them need. The Bluegrass Region would like to continue with the plan to replace Eastern State Hospital with a state of the art campus of integrated services and programs as soon as possible. The focus and advantage of the proposed campus is its overall integrated system of care.

Additional areas of focus in the region are:

- Efforts need to be made to improve the number and types of housing options available to those with SMI.
- Transportation continues to be an obstacle and needs special consideration and funding.
- Flexible funding is needed to sustain and continue programs such as; Jail Triage, Evidence Based Practices and Recovery: Beyond Symptom Amelioration.

Region 11 – Mountain

Dennis Dorton

Dennis Dorton stated that he has been involved with Mountain Comprehensive Care Center for over ten years. Dennis outlined the top four priorities in the region:

- Increase safety net flexible funding to support core services and insure a seamless continuum of care.
- The need to reduce the number of institutionalizations by increasing community based services, proactive case management and wraparound services.
- Lack of transportation options available for all persons who need access to mental health and substance abuse services remains a problem in the region.
- The lack of suitable housing options and housing supports for these consumers living in the community.

Region 12 – Kentucky River

Jim McDannel

Jim McDannel presented on behalf of the Kentucky River Regional Planning Council. Jim gave a brief overview of the eight counties that are being served by Kentucky River Community Care. KRCC employees over 500 experienced staff in 45 operating sites across all eight counties. They have been addressing health issues since 1969 and have collaborated with local organizations on innovative solutions in order to serve the community. The current service system in the region consists of: Kentucky River Community Care, Inc.; Appalachian Regional Healthcare-Hazard Psychiatric Center; Presbyterian Child Welfare Agency, Inc.; and Caney Creek Rehabilitation Center personal care home.

Specific policy changes requested by the Regional Planning Council are:

- Reduce micro-management thru regulation reform.
- Divert from expensive hospitalization to community-based services.
- Reduction in overhead costs at the state level related to redundancy in reporting and maintaining massive medical records.
- Support the integration of Physical Health and Behavioral Health.

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Jim McDannel reiterated that Kentucky ranks last in the nation in many categories of health and education. The policy change recommendations are based on goals outlined in the President's New Freedom Commission report. An increase in funding is needed to raise Kentucky's ranking to at least 25th in the nation.

Region 2 – Pennyroyal

George Byars

George Byars presented on behalf of Pennyroyal Regional Planning Council. George highlighted some of the successes outlined by the Regional Planning Council during the last year. The Jail Triage program is functioning in the region and county officials are very satisfied with the benefit that the program has brought to those mentally ill persons who are incarcerated. The Crisis Stabilization Programs that have been established by the Pennyroyal Center for both children and adults employs a model of case management and community placement as opposed to the operation of a single unit and has proven to be very effective.

George noted that Pennyroyal has continued to see an increase in demand for services in the past fiscal year. As requests increase, Pennyroyal continues to struggle with its ability to adequately maintain its workforce and continue to increase its capabilities to meet community needs. The Regional Planning Council members were pleased with the services being offered through the Center, although delays due to the increased requests continue to be problematic.

Needs and areas of concern identified in the region are:

- Reasonable increases in Medicaid reimbursement rates.
- Crisis Stabilization Units throughout the state should be adequately funded before authorizing any new Crisis Stabilization Programs.
- Community care dollars need to increase due in part to the growing number of uninsured individuals requesting services.
- Significant increases in the Kentucky Retirement System employer contribution needs to be specifically allocated to each region to cover the associated costs.

Region 14 – Adanta

Wanda Bolze

Wanda Bolze presented recommendations from the Adanta region. Wanda stated that the bottom line is that the region needs an increase in flexible funding. Currently we are incurring costs to train our staff only for them to leave and go to the private sector or another state for employment. A cost of living increase to our employees is greatly needed in order to retain qualified staff.

The region is finding it difficult to expand services because of the difficulty sustaining the core services due to lack of funding increases. While the region is doing an excellent job providing outstanding services with limited funding, we are at a critical point in maintaining these services.

Representative Marzian reiterated the importance of continuing to ask for additional funding even though it seems this has been a recurrent message over the last few years. She stated that it's important to continue to bring the funding issues to the forefront over and over again.

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Region 13 – Cumberland River

Mary Singleton and Ralph Lipps

Ralph Lipps gave a brief update on the priorities and recommendations from the Cumberland River region. The region was successful in building a relationship with Lindsey Wilson College in bringing graduate and undergraduate programs into the region utilizing the community college system. The Regional Planning Council would like to see the University of Kentucky and Eastern Kentucky University bring more graduate programs in psychology and social work to the region.

Ralph thanked the HB 843 Commission in bringing some of the overall needs to the forefront. The development of much needed crisis units were a product of the development of the HB 843 Regional Planning Council's efforts. Several drug courts have been implemented in the region and are very successful.

Reviewing the initial needs assessment the region has experienced an increase of 79% in service volume over the last few years with most clients needing more than one service. We are finding it difficult to meet these needs without an increase in flexible funding.

Major gaps in funding and services in the region include:

- Lack of residential treatment for adults and adolescents with substance abuse disorders.
- Non medical Detox programs.
- Intensive outpatient for adults and children with substance abuse disorders.
- Adequate housing and transportation continue to be an issue.

Additional funding is needed to deal with inflationary factors such as cost of living increases.

Representative Siler commented on the efficiency and wisdom that Ralph Lipps brings to the entire Mental Health community. He also commended Cathy Epperson on her management of Adanta and applauded both of them for their continued support of mental health and substance abuse issues.

Region 1 – Four Rivers

Allison Ogden

Allison Ogden presented on behalf of the Four Rivers Regional Planning Council. Allison pointed out that Kentucky is unique nationally in having an established system of care and one that has existed for forty years. One of the main concerns is the sustainability of the current system that is in place. The region has received categorical funding for new initiatives but often it is forgotten that there is a basic system of care that needs to be supported and that basic system has been eroded due to a lack of sustainability. The more flexible funding that is received the more responsive the centers will be to our local needs.

Allison stated that the responsibility for sustaining the system rests with the legislature and from public policy initiatives.

Secretary Birdwhistell stated that it's critical to have flexibility in funding because often times one size does not fit all when it comes to providing services across the state and commended Allison for doing an exceptional job in the Four Rivers region.

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Region 4 – Lifeskills

Fred Keith

Fred Keith presented observations made by the Lifeskills Regional Planning Council as noted below:

- The demand for older adults has increased dramatically.
- Hospital services for children and adults have increased impacting the availability of hospital beds, resulting in quicker discharges and re-hospitalizations.
- Crisis Stabilization services have increased along with Jail Triage services.
- There is a noticeable gap in services for transition age children.

Recommendations:

- Encourage an increase in Kentucky's national ranking in funding allocations for mental health and substance abuse services.
- More flexible funding is needed in the regions.
- Support parity for substance abuse programs with our behavior and physical health programs.
- Review the Certificate of Need for unused capacity for hospital and psychiatric residential facilities reallocating some of the beds that might be available and are not being used.

Fred Keith stated that there is great concern regarding the increase in the retirement system contribution and the effect that would have on the budget. The community mental health center has not been able to provide a cost of living increase in several years due to lack of additional funding and is finding it difficult to maintain the delivery of essential services. Resources are shrinking while needs are increasing across the region.

Representative Marzian thanked Fred Keith for mentioning the increased contribution to KERS and the impact it will have on the community mental health centers budgets.

Representative Marzian commended the Regional Planning Council's for their continued determination and hard work advocating the needs of their regions. She stated that it is imperative that they continue to ask for money when necessary.

Thanks to those regional planning council representatives who took the time out of their schedules to present to the HB 843 Commission members;

Seven Counties, Region 6 – Bernie Block; River Valley, Region 3 – Mary Lamb; Communicare, Region 5 – Linda Funk; Pathways, Region 9/10 – Glen Rowe & Kevin Harrison; Comprehend, Region 8 – David Bolt; NorthKey, Region 7 – Gary Goetz; Bluegrass, Region 15 – Art Schecht; Mountain, Region 11 – Dennis Dorton; Kentucky River, Region 12 – Jim McDannel; Pennyroyal, Region 2 – George Byars; Adanta, Region 14 – Wanda Bolze'; Cumberland River, Region 13 – Ralph Lipps; Four Rivers, Region 1 – Allison Ogden; and Lifeskills, Region 4 – Fred Keith.

Bill Cooper – Office of Aging, commented on the issues surrounding the aging population and thanked the regional planning councils for mentioning these issues as part of their overall increasing areas of need.

Priorities and Recommendations

Dr. Sheila Schuster

Sheila Schuster began by presenting a brief history of the development and creation of the HB 843 Commission. It was intended to focus much-needed and long overdue attention to the critical – and

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largely unmet needs of individuals with mental illness, substance abuse disorders and dual diagnoses. It was conceived as a bottom up process which lead to the development of the 14 Regional Planning Councils. Information received from the Regional Planning Councils is remarkable for its creativity, ingenuity, collaboration and determination. In spite of deficit budgets, which do not include any increases to meet the rising costs of doing business, services continue to be offered and even upgraded to meet regional needs.

Sheila stressed the importance of realizing that the community mental health system has reached a crisis point. The need for services is increasing and the complexity of those services is increasing. Medicaid reimbursement rates have been frozen for the last five years and the CMHC's have not received an inflationary increase in twelve years. Adequate funding is needed for each region to restore the fraying "safety net" in order for the them to continue providing essential core services. At the very least the funding should include an adjustment to cover the mandated costs such as the Kentucky Employee Retirement System increase. Moving Kentucky from 44th to 25th is not an impossible goal. Treatment for mental illness and substance abuse works but it works only if it is accessible and it is accessible only if it is funded.

(See attached meeting handout: HB 843 Regional Planning Councils' Priority Recommendations)

Representative Marzian suggested that the recommendations compiled by Sheila Schuster be presented to the House and Senate on behalf of the entire HB 843 Commission.

Representative Siler said that the HB 843 Commission needs to send a very pointed message to the Governor, Leaders of the House and Senate and Budget Chairs. These are the individuals that are in the position to make funding decisions.

Representative Marzian suggested to the Regional Planning Council members and the Community Mental Health Center representatives that they need to contact and meet with the legislators from their regions who do have the ability to make budget appropriations. It is extremely important that you present your case to those members of the legislature.

Carol Carrithers asked a question to Commissioner Burt regarding the budget recommendations from DMHSA to the administration? Can you share those with us, I know we're going to wait until next week to hear what the Governor has actually put in his budget based on your recommendations but can you tell us what the recommendations were out of the Department at this point?

Commissioner Burt asked Steve Shannon to comment on this question. Deputy Commissioner Shannon stated that MHSA did internally include some budget language and expansion, but obviously with the state of the current budget situation that recommendation did not get beyond the Cabinet. We are still finalizing and there maybe some other issues that we really can't discuss yet but there's not a community based expansion.

Molly Clouse reiterated the ongoing need to bring Certified Peer Support Training to Kentucky. Molly is working on this endeavor and would like Peer Support to be recognized as an important tool in the recovery process for individuals with Mental Illness and Substance Abuse disorders.

Proposed HB 843 Commission 2006 meeting dates are: July 12, September 13 and December 13.

With no further business, the meeting was adjourned.

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**HB 843 REGIONAL PLANNING COUNCILS'
PRIORITY RECOMMENDATIONS – 9/05**

Presented to HB 843 Statewide Commission

January 9 & 10, 2006

Priority on reaffirming the commitment of the HB 843 Statewide Commission to move Kentucky from its current national ranking of 44th in General Fund per capita spending on Mental Health & Substance Abuse (MH/SA) services to the upper half of states – a ranking of 25th nationally. In order to accomplish this progress and to assure the viability of our community-based mental health system, the Commission in June of 2001 called for increased funding (new GF dollars) of \$25M annually over the next ten years for MH/SA services through the Department of MH/MR Services.

Priority on adequate funding for each region to restore the fraying “safety net” assuring the capacity to maintain and deliver essential core services to meet the needs of individuals with mental illness, substance abuse disorders and dual diagnoses. At a minimum, continuation funding should include an adjustment to cover inflation and other mandated costs such as KERS increases.

- Inflation @ 2.91% = \$10.18 Million for the 14 Regional MH/MR Boards
- Employees' retirement (KERS) expense: If mandated increase of 4% in contribution = additional \$8.96 Million; 6.5% = \$14.56 Million; 17.8% (requested by KERS) = \$26 Million

Priority on funding streams having maximum flexibility, rather than categorical constraints, in order to be most effectively utilized, fully responding to the needs identified at the regional level and assuring a seamless continuum of care.

- Assure the adequacy of the Emergency Services programs in each region.
- Reduce repeated institutionalizations by increasing community-based services, crisis stabilization, proactive case management and wrap-around services.
- Initial Crisis Stabilization Units (CSUs) were funded in 1996/98 @ \$275,000; additional units to complete array of 28 (1 for children and 1 for adults in each of the 14 regions) were funded in 2002 @ \$330,000. To bring all 28 CSUs to an operational funding level of \$400,000 each = \$2.2 Million
- Adding additional CSUs in the three largest population areas (2 in Seven Counties Region; 2 in Bluegrass Region; 1 in NorthKey Region) @ \$400,000 = \$2 Million
- Assure the availability in all regions of trained professionals to address mental illness, substance abuse disorders and dual diagnoses.
- Establish an array of suitable housing options and housing supports for consumers with mental illness, substance abuse and dual diagnoses.
- Improve access to MH/SA treatment by increasing available transportation for all persons in need of services.
- Increase the availability of medical and non-medical detoxification services (including social model detox) for consumers with substance abuse disorders.
- Assure availability and appropriate use of all effective medications.
- Develop an accessible continuum of care for children and youth with substance abuse diagnoses, including transitional planning and services for those “aging out”.
- Strengthen the collaboration with the criminal justice system in more appropriately and effectively meeting the needs of individuals with MH/SA diagnoses.

The goal is for Kentucky to again be a national leader in a modernized, recovery-oriented, community-based system of care for persons with mental illness, substance abuse disorders and dual diagnoses which is based on best practices, accountability, regional planning, coordination of services and appropriate levels of funding regularly adjusted to meet rising costs and increasing demand for services.